

**Audit of USAID/Regional Centre for
Southern Africa, Botswana
Cashiering Operations**

**Report No. 4-690-98-009-F
August 7, 1998**

REGIONAL INSPECTOR GENERAL/PRETORIA



memorandum

*Regional Inspector General
Pretoria*

DATE: August 7, 1998

TO: Director, USAID/RCSA, Edward Spriggs

FROM: Regional Inspector General/Pretoria, Joseph Farinella

SUBJECT: Audit of Regional Center for Southern Africa, USAID/ RCSA,
Botswana Cashiering Operations, Report No. 4-690-98-009-F

This memorandum is our report on the subject audit. We have considered your comments on the draft report and have included them as Appendix II. Based on the results of the audit, this report does not have any recommendations. I appreciate the cooperation and courtesy extended to my staff during the audit.

Background

USAID/RCSA conducts its cashiering operations from an enclosed area within the Administrative Management section of the Mission. Cash operations are handled by a designated cashier. The Mission's authorized petty cash fund imprest level at the time of the audit was \$40,000.

Financial activities of the cashiering operations are guided by the Department of State, RAMC/Paris, and USAID policy. A Mission Order for cashiering operations is being formulated. The Senior Accountant directly supervises the cashier and issues instructions for day-to-day operations while the Controller approves exceptional transactions arising from unusual situations.

The cashier's duties principally comprise of : (i) maintaining an imprest fund in local currency and U.S. dollars in amounts prescribed by USAID/Washington; (ii) making cash disbursements against properly authorized documents; (iii) conducting accommodation exchange transactions principally for U.S. citizens working for the Mission and institutional contractors; and (iv) accepting payments on behalf of the U.S. Government (bills for collection, etc.) and depositing the funds collected.

Audit Objective

The Office of the Regional Inspector General/Pretoria audited USAID/RCSA's cashiering operations to answer the following question:

Did USAID/RCSA manage its cashiering operations efficiently, economically and in accordance with Agency policies and procedures?

Appendix I describes the audit's scope and methodology.

Audit Findings

USAID/RCSA managed its cashiering operations with economy, efficiency, and in accordance with Agency policies and procedures.

USAID/RCSA management provided guidance to its cashiers by the policies and procedures established by the RAMC/Paris Operations Manual and USAID Financial Management Bulletin No. 10. A Mission Order covering cashiering operations is being written.

The cashier's office is situated in the Administrative Management section and access is restricted to authorized personnel. All cash, checks and other valuables are kept in a safe the combination to which is placed in a sealed envelope in the custody of the Mission's Regional Security Officer.

Moreover, the Mission takes adequate precautions in transporting money and other valuables between the bank and the cashier's office. Small amounts are transported by Mission vehicle while large amounts are transported by armored vehicle.

A surprise count of the cash in hand on June 2, 1998 showed that all transactions were satisfactorily accounted for and the U.S. dollars and local currency were counted and satisfactorily reconciled to the Mission's imprest fund level of \$40,000.

A review of the cashiering operations showed that the disbursements were properly supported and the imprest fund reconciled daily by the cashier. Signed receipts were obtained for all payments, and requests for reimbursements were accompanied by acceptable documentation.

Furthermore, we noted that the Mission Controller conducts surprise cash counts periodically and spot checks the cashier's records for accuracy and compliance with Agency requirements.

Management Comments and Our Evaluation

USAID/RCSA did not have any comments concerning the report.

<p>SCOPE AND METHODOLOGY</p>

As part of our fiscal year 1998 audit plan, we conducted an audit of USAID/RCSA's cashiering operations in accordance with generally accepted government auditing standards. The field work was done at USAID/RCSA during the week of June 1, 1998. Total value of transactions audited was \$30,439.

To accomplish our audit objective, we (1) reviewed the physical security of the cashier's office, (2) evaluated controls relating to safeguarding cash and other valuables in the cashier's vault, (3) performed a surprise cash count, (4) audited the cashier's reconciliations of the imprest fund, and (5) reviewed daily cash transactions.

APPENDIX II
Management Comments



Agency for International Development
Regional Center for Southern Africa
USAID/RCSA, Botswana

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Memorandum

Date: August 5, 1998
To: Joseph Farinella, Regional Inspector General/Pretoria
From: Edward Spriggs, Mission Director
Subject: Audit of USAID/Regional Center for Southern Africa(RCSA)
Cashiering Operation, Report No. 4-690-98-009-F

We have reviewed the subject draft report and have no comments on the report. We appreciate the cooperative approach your staff took during the audit and hope the results of the audit will help the Agency in addressing Cashier issues.